CANADA-PRINCE EDWARD ISLAND
SUBSIDIARY AGREEMENT FOR PLANNING

THIS AGREEMENT, made this day of , 1984.

BETWEEN: THE GOVERNMENT OF CANADA (herein referred to as "Canada"), represented by the Minister of State for Economic and Regional Development,

OF THE FIRST PART

AND: THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND (herein referred to as "Prince Edward Island"), represented by the Premier of the Province of Prince Edward Island,

OF THE SECOND PART.

WHEREAS Canada and Prince Edward Island have entered into an Economic and Regional Development Agreement dated _____ ("the ERDA"), for the purpose and to achieve the objectives set forth therein;

AND WHEREAS in pursuit of the ERDA objectives, Canada and Prince Edward Island intend to coordinate the application of appropriate federal and provincial Measures through a cooperative process of analyzing and reviewing the economic and social circumstances of the Province and their relationship to the regional and national economy;

AND WHEREAS Canada and Prince Edward Island intend to involve their appropriate departments and agencies in the identification, coordination and implementation of economic and regional development measures;

AND WHEREAS Canada and Prince Edward Island agree that additional resources are required to identify the instruments and mechanisms that would apply under the Economic and Regional Development Agreement between Canada and Prince Edward Island;

AND WHEREAS Canada and Prince Edward Island agree that additional resources are required for identifying, analyzing, developing and coordinating joint strategies for economic development that generally involve several economic sectors of the provincial economy;

AND WHEREAS Canada and Prince Edward Island are prepared to contribute funds to provide for these activities on the terms and conditions set out in this Agreement;

AND WHEREAS the Governor-in-Council by Order-in-Council P.C. 1984-3/1369 of the 18th day of April 1984, has authorized the Minister of State for Economic and Regional Development to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant-Governor-in-Council by Order-in-Council No. _____ of the _____ day of _____ has authorized the _____ to execute this Agreement on behalf of Prince Edward Island;

NOW THEREFORE the parties hereto agree as follows:

1.0 DEFINITIONS:

1.1 In this Agreement:

(a) "External services" means services and facilities that are required from outside of the federal and provincial government in support of an activity under this Agreement, and includes accommodation, office and support services and professional services;

(b) "External staff" means professional and other staff who are independent contractors and not permanent employees of Canada or Prince Edward Island;

(c) "Federal Minister" means the Minister of State for Economic and Regional Development for Canada and includes anyone authorized to act on his behalf;

(d) "Fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;

(e) "Management Committee" means the officials of Canada and Prince Edward Island designated pursuant to section 4 of this Agreement;

(f) "Ministers" means the Federal Minister and the Provincial Premier;

(g) "Provincial Premier" means the Premier of Prince Edward Island; and

(h) "Project" means a specific, clearly definable unit of work undertaken in pursuit of the identification, analysis, development or planning related to the program areas for joint planning activity described in Schedule "A" attached hereto.

2.0 PURPOSE

2.1 The purpose of this Agreement is to enhance, expand and carry out joint planning for economic and regional development in the Province by providing for contributions of federal and provincial funds to conduct studies.

2.2 The additional resources and planning activities provided for within this Agreement are meant to complement and enhance those planning activities that normally occur within federal and provincial departments; these latter activities will continue to comprise the main element of the total economic development planning effort in the Province.

3.0 SUBJECT MATTER

3.1 Schedule A, attached hereto describes the broad areas of subject matter for activity as approved by Ministers and forms part of this Agreement.

3.2 Pursuant to the purpose of this Agreement as stated in 2.0, Canada and Prince Edward Island shall carry out joint planning with respect to the following:

(a) identification and analysis of strategies for economic development in the Province that have substantial interdepartmental relevance to Canada and Prince Edward Island.

(b) identification of the instruments and mechanisms most likely to effect a coordinated application of federal and provincial programs under the ERDA.

3.3 In addition to the activities covered under this Agreement, Canada and Prince Edward Island may independently undertake analyses and studies related to

the purposes and objectives of this Agreement. The cost of such studies shall be borne by the party undertaking the study and shall not be eligible for payment under this Agreement unless so authorized by Ministers or their designated officials on the Management Committee.

4.0 ADMINISTRATION AND MANAGEMENT

4.1 Each of the Ministers shall designate two officials to be responsible for the administration of this Agreement. These officials shall constitute the Management Committee. The Federal Minister and the Provincial Minister shall respectively appoint one official from Canada and one official from Prince Edward Island from the members of the Management Committee to act as co-chairman.

4.2 All Projects to be undertaken under this Agreement shall be jointly approved by Ministers or their designated official on the Management Committee before being undertaken.

4.3 The Management Committee shall be responsible for:

(a) the general administration of this Agreement;

(b) the carrying out of any administrative duties specified elsewhere in this Agreement;

(c) recommending annually to Ministers estimates concerning proposed expenditures under this Agreement;

(d) establishing Project advisory committees as required, or requesting the presence of non-voting representatives from other departments or agencies to advise the Management Committee;

(e) submitting a progress report to the Ministers prior to the annual meeting described under Section 5.1 of the ERDA;

(f) compiling an annual inventory of all federal-provincial study activity on economic and regional development matters in Prince Edward Island;

(g) reviewing work performed under this Agreement;

(h) meeting at least semi-annually to ensure effective administration and management of the Agreement; and

(i) establishing such other procedures as may be required for the administration and management of this Agreement.

4.4 The responsibility for engaging External staff or External services will be with the Management Committee. The Management Committee may delegate this responsibility to an appropriate federal or provincial department, ministry or agency.

4.5 Each Project approved by the Management Committee shall be described in an appropriate project authorization form which shall include the Project name and description, the purpose and objectives, the implementing party, an outline of how the Project is to be carried out and progress reported, the completion date, performance data to be provided, the total cost and the share of the cost to be borne by each party.

4.6 The progress report referred above in subsection 4.3 (f) submitted annually to the Ministers shall include an assessment of the progress made in implementing this Agreement, its objectives and the effectiveness of the activities undertaken to achieve the objectives together with the projected work program and budget for the subsequent fiscal year.

4.7 The Management Committee shall exist for the term of this Agreement plus one year.

4.8 In the event of any disagreement in the Management Committee, the relevant matter shall be referred to the Ministers whose decision shall be final.

5.0 FINANCIAL PROVISIONS

5.1 Canada shall contribute fifty percent (50%) of the costs incurred for jointly approved Projects under this Agreement, subject to the appropriation of funds by the Parliament of Canada, and Prince Edward Island shall contribute fifty percent (50%) of the costsincurred for jointly approved Projects under this Agreement subject to the appropriation of funds by the Legislative Assembly of the Province of Prince Edward Island.

5.2 Eligible costs shall consist of only those costs incurred pursuant to Projects undertaken in respect of this Agreement, as determined by the Management Committee.

5.3 Notwithstanding anything in this Agreement, Canada's contribution towards costs incurred in respect of jointly approved Projects shall not exceed five hundred thousand dollars ($500,000.00) in total.

5.4 Notwithstanding anything in this Agreement, Prince Edward Island's contribution towards costs incurred in respect of jointly approved Projects under this Agreement shall not exceed five hundred thousand dollars ($500,000.00) in total.

5.5 The Management Committee shall submit annually for the approval of the Ministers an assessment of the progress made in implementing this Agreement, the effectivenesss of the Projects undertaken to achieve the objectives intended and the continuing relevance of the objectives themselves together with the projected budget required for the subsequent fiscal year.

6.0 CONTRACT PROCEDURES

6.1 All contracts for approved Projects shall be awarded in accordance with procedures to be established and approved by the Management Committee and, unless in its opinion it is impractical to do so, shall be awarded to the qualified and responsible tenderer submitting the lowest evaluated bid.

6.2 Any terms of reference for contracts awarded and calls for tender must be agreed to and signed by the co-chairmen of the Management Committee.

6.3 All contracts under this Agreement shall be supervised in accordance with procedures to be approved by the Management Committee, and reports, documents and other materials resulting from such contracts shall become the property of both parties to this Agreement.

6.4 The responsibility for implementing contracts will be with the Management Committee. The Management Committee may delegate this responsibility to an appropriate federal or provincial department, ministry or agency.

6.5 In the awarding of contracts, the services of Canadian firms or individuals will be retained where practical and consistent with economy and efficiency.

7.0 PAYMENT PROCEDURES

7.1 Payment will be made in accordance with procedures established by the Managment Committee and approved by Ministers, recognizing that:

(a) the party implementing a contract pursuant to subsection 6.5 above (the "implementing party") shall be responsible in the first instance to pay all costs of implementing a Project under this Agreement;

(b) the implementing party shall be entitled to recover from the other party to this Agreement monies expended by the implementing party that represent the portion of the shared cost attributable to the other party;

(c) all claims, interim payments, progress payment and adjustments by the parties to this Agreement will be coordinated by the Management Committee;

(d) in order to assist with the interim financing of each party's share of costs for approved Projects, any party may make, if the other party so requests, interim payments subject to approval by Management Committee;

(e) claims setting out the costs incurred and paid shall be prepared and certified by the implementing party and submitted in a satisfactory form at least annually to the Management Committee;

(f) each of the parties shall ensure that proper and accurate accounts and records are maintained with respect to each Project that it is implementing. Each party will make all such records, documents and vouchers available to authorized representatives of the other party for examination, and will afford to them all reasonable assistance and explanation in connection with such examination;

(g) any discrepancy between the amounts paid by either party and amounts actually payable shall be promptly adjusted between the parties.

8.0 PUBLIC INFORMATION

8.1 Canada and Prince Edward Island agree to cooperate in the development of a joint public information program respecting the implementation of this Agreement.

8.2 Canada and Prince Edward Island agree that all activities undertaken pursuant to this Agreement shall provide for the public recognition of the contributions of both levels of government.

8.3 Any public announcement of the Projects covered and of the products generated by this Agreement shall be jointly agreed to by the Ministers.

9.0 GENERAL

9.1 The terms of the Canada/Prince Edward Island ERDA shall apply to this Agreement.

9.2 During the term of this Agreement, Canada and Prince Edward Island shall effect an assessment of the Projects undertaken to attain the stated objectives. Each party shall provide the other with such information as may reasonably be required in order to undertake such assessment.

9.3 The term of this Agreement shall be from the date on which it is signed by both Canada and Prince Edward Island until March 31, 1989. Approved projects may be completed after the termination date; however, Canada shall not pay any claim which is not received by March 31, 1990.

9.4 No member of the House of Commons of Canada or the Legislative Assembly of the Province or employee of Canada or Prince Edward Island, shall be admitted to any part or share of payments made pursuant to this Agreement or to any benefits arising therefrom, nor shall such member undertake or participate in any study or analysis pursuant to a contract as a result of which Canada may be required to pay any amounts pursuant to this Agreement.

9.5 This Agreement may be amended from time to time by mutual agreement of the Ministers in writing, subject to approval by their appropriate authorities.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of State for Economic and Regional Development and on behalf of Prince Edward Island, by the Premier of the Province of Prince Edward Island.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

_____
Witness

_____
Minister of State for Economic and Regional Development

IN THE PRESENCE OF:

THE GOVERNMENT OF PRINCE EDWARD ISLAND

_____
Witness

_____
Premier and President of the Executive Council

SCHEDULE "A"

CANADA/PRINCE EDWARD ISLAND
SUBSIDIARY AGREEMENT FOR PLANNING

INTRODUCTION

A new Economic and Regional Development Agreement (ERDA) between Canada and Prince Edward Island replaced the P.E.I. Comprehensive Development Plan and Federal Development Strategy which expire on March 31, 1984. The new Agreement allows for the continuation and enhancement of federal-provincial economic planning and programming, but will place greater emphasis on:

- joint planning and analysis to determine areas for development;

- substantive consultations between ministers on Prince Edward Island's development opportunities and constraints, with an annual review of progress and subsequent determination of priorities and objectives for the next year;

- full involvement of all government departments in the regional development process, and with a corresponding increase in the range of instruments that are brought to bear, both formally and informally, on this process; and

- consensus building, with all existing and potential participants in the regional development process, with respect to the assessment of needs, opportunities and strategic directions.

To give effect to this new approach, and to ensure that development efforts are effective, economical and avoid duplication, it is imperative that coordinated planning efforts are undertaken, and that a continuous assessment of current programs, circumstances and opportunities be in place to support the annual consultations between ministers.

The Prince Edward Island ERDA also contains a substantial unallocated reserve which will address changing priorities and future opportunities. It is essential that the potential contribution to the economic growth of Prince Edward Island of candidates for this reserve is thoroughly assessed, and that a joint planning process is in place to seek out opportunities on an ongoing basis.

STRATEGY

This Canada/Prince Edward Island Subsidiary Agreement for Planning responds to a strong federal/provincial concurrence for the need to continue a valuable process which contributes to the description and assessment of specific development opportunities for Prince Edward Island. In order to facilitate this objective, this Agreement provides the mechanism for Canada and the Province to cooperate in economic and regional planning.

Canada and Prince Edward Island have been engaged during the last year in conducting an "Economic Assessment" which identifies major strengths and weaknesses in the economy and areas where additional information is required or study warranted. This assessment is expected to supplement the current list of priorities for joint planning activities.

Program areas that will receive priority for joint planning activities are Technology Studies, Productivity Studies, and Human Resource Management Studies.

PROGRAM AREAS FOR JOINT PLANNING ACTIVITY

The following program areas have been identified as priority targets for study:

a) Technology Studies

The purpose of these studies will be to identify and examine potential strategic development opportunities in the science and technology area in the Province of Prince Edward Island. Within the broad terms of reference it is proposed to make a thorough assessment of the advantages of utilizing new technologies in Island industries and identifying the most appropriate means of technology dispersion. An immediate priority is to investigate the increased use of micro-electronic technology in the food processing industry with particular reference to quality control, batch production, and energy conservation.

b) Productivity Studies

An important but scarcely surprising early finding of the "Economic Assessment" of Prince Edward Island was that although productivity is

extremely low in the province and that this is by far the major reason for lagging earned personal incomes there is not sufficient information available to pinpoint the causes or to support recommendations. It is proposed, therefore, to undertake a number of studies comparing productivity performance in specific enterprises in P.E.I. with those of similar enterprises elsewhere.

c) Human Resource Management Studies

It is proposed to conduct studies into the impact of technological change in the workforce on an industry and occupational basis and into the employment position of minority groups such as youths, women, francophones, native peoples and the disabled with a view to designing appropriate affirmative action programs.